

**MARCH 19, 2001**

**APPLICATION OF LS COMMUNICATIONS, INC. ) DOCKET NO. 00-01094**  
**AND COLUMBIA TELECOMMUNICATIONS, INC. )**  
**D/B/A AXESSA FOR APPROVAL OF A )**  
**PREPACKAGED BANKRUPTCY PURCHASE )**  
**AGREEMENT )**

## ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (“Authority”) at a regularly scheduled Authority Conference held on January 23, 2001 for consideration of the Application (the “Application”) of LS Communications, Inc. (“LS”) and Columbia Telecommunications, Inc. d/b/a Axessa (“Axessa”) for approval of a Prepackaged Bankruptcy Purchase Agreement which will transfer control of Axessa to LS, resulting in a transfer of authority to provide utility services. The Application was filed on December 12, 2000.<sup>1</sup>

## The Application

In the Application, LS and Axessa request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-112, the transfer of control of Axessa to LS. The Application

<sup>1</sup> The December 12, 2000 filing is a letter notifying the Authority of a Prepackaged Bankruptcy Purchase Agreement which will result in a change in the ownership of Axessa. Because, as explained below, this change in ownership involves a transfer of the authority to provide utility services held by Axessa, approval by the Authority is required, and the Authority treated the December 12, 2000 letter of notification as an Application for such approval.

states that all existing shares in Axessa will be cancelled, and new shares will be issued in the name of LS. The ownership of Axessa will be transferred to LS, and LS will become the sole shareholder of Axessa. The Application further states that Axessa will continue to operate as it currently operates but will become a wholly-owned subsidiary of LS. A combination of various current Axessa and LS employees will become the technical, managerial and financial personnel of Axessa after the transaction. Axessa will continue to operate as a regulated entity pursuant to its present certifications, registrations, tariff requirements, and rate structures.

Axessa is a privately-held Delaware corporation with principal offices located in New Orleans, Louisiana. Axessa is a non-dominant carrier that provides intrastate, interstate, and international long distance and local exchange services. Axessa is authorized by the FCC to provide interstate and international services as a non-dominant carrier as well as local and intrastate interexchange service, pursuant to certification, registration, or tariff requirements in nine (9) states. By Order of the Tennessee Regulatory Authority dated November 23, 1999, Axessa is a certified reseller of telecommunications services and provider of operator services in Tennessee pursuant to Authority Rule 1220-4-2-.57.

LS is a privately-held Delaware corporation with principal offices located in Jackson, Mississippi. LS does not possess any federal or state authorizations to provide telecommunications services.

According to the Application, the transaction will be beneficial to the involved companies as well as their customers, due to the combination of LS' financial strength and Axessa's telecommunications assets, including Axessa's customers. According to

the Application, Axessa's customers will suffer no service interruption but will continue to receive the same high quality service presently rendered to them, at the same rates currently charged, by the same corporation currently providing them.

### **Requirement of and Standards for Authority Approval**

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

### **Findings**

After careful consideration of the Application and of the entire record in this matter, the Authority finds and concludes:

1. That the Authority has jurisdiction over the Application pursuant to Tenn. Code Ann. § 65-4-113;
2. That the transfer will be consummated through the cancellation of all existing and outstanding shares of Axessa stock and the replacement of said stock by shares issued in the name of LS;

3. That Axessa is authorized to provide telecommunications services in Tennessee;

4. That the entire assets and liabilities of Axessa will be transferred to LS; and

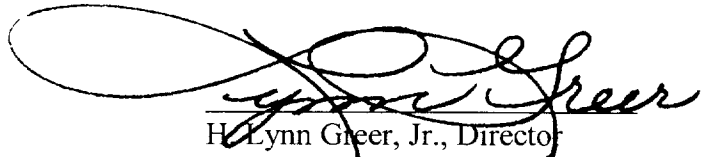
5. That approval of the transfer of authority is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

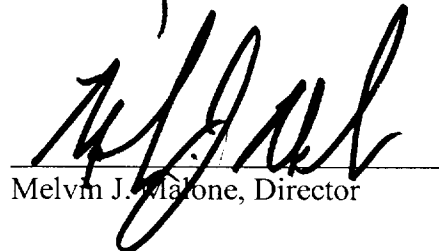
**IT IS THEREFORE ORDERED THAT:**

1. The transfer of control of Columbia Telecommunications, Inc. d/b/a Axessa to LS Communications, Inc. is approved; and

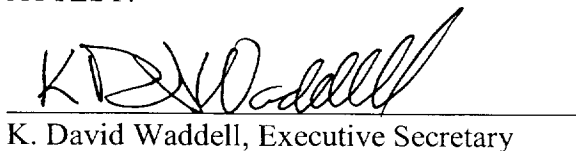
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary